



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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August 04, 2015


The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

58-C August 4, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**APPROVAL OF AMENDMENT NUMBER 4 TO AGREEMENT #76936 FOR MAINTENANCE AND
OPERATIONS OF LA PLAZA DE CULTURA Y ARTES WITH THE LA PLAZA DE CULTURA Y
ARTES FOUNDATION
(FIRST DISTRICT)
(3VOTES)**

SUBJECT

The recommended action amends the existing Maintenance and Operating Agreement with LA Plaza de Cultura y Artes Foundation to decrease the County of Los Angeles (County) annual base funding in facilities and programs at LA Plaza de Cultura y Artes.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Mayor to sign the attached Amendment No. 4 (Amendment) to the Maintenance and Operating Agreement (Agreement) with LA Plaza de Cultura y Artes Foundation (Foundation), a non-profit group responsible for overseeing the operation of LA Plaza de Cultura y Artes (Cultural Center), to decrease the base amount of the County's funding obligation by \$1.0 million annually. Both the County of Los Angeles and the Foundation mutually agree to this decrease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Board's approval of this Amendment will decrease the base year funding contribution by the County by \$1.0 million to \$1.53 M beginning in fiscal year 2015-2016 to be adjusted annually by the Consumer Price Index (not to exceed five percent).

Under the current Agreement, as amended in July 2012, June 2014 and September 2014, the County agreed to provide a consistent funding base and an annual CPI based adjustment and established a funding match requirement from the Foundation for its maintenance and operation of the Cultural Center. All maintenance and operation costs are paid directly by the Foundation.

The current Agreement outlines the County's oversight and approvals generally, and as it relates to any concession, other subcontracts or subleases, prices, and rules and regulations governing the day-to-day operations and maintenance of the Cultural Center. This Amendment does not diminish the County's oversight.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal of Operational Effectiveness/ Fiscal Sustainability (Goal 1) by supporting activities related to the investment in public infrastructure and programs.

FISCAL IMPACT/FINANCING

The Amendment establishes a base year funding amount of \$ 1.53 million in net County cost, equal to the amount included in the County Supplemental Budget for fiscal year 2015-16. This Amendment does not change the Foundation requirement to provide an annual matching contribution in an amount equal to eighty percent (80%) of the annually adjusted County contribution.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Lease Agreement (Lease), approved in 2004 with the Foundation, is authorized by Government Code Section 26227 which permits the County to lease its property to a nonprofit corporation in the furtherance of programs meeting the social needs of the County. This Amendment No. 4, Amendment No. 3, Amendment No. 2, Amendment No. 1 and the original Agreement executed in 2009, satisfy the Lease requirement to return to the Board with maintenance and operating agreements detailing the respective obligations of the parties for those services.

The Amendment is in compliance with the Board of Supervisors (Board) and Chief Executive Office requirements and has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

In 2004, the Board certified a Final Environmental Impact Report (EIR) for the Plaza Project and in 2010 approved an Addendum to the previously certified EIR. The recommended funding actions are within the scope of the previously certified EIR and Addendum.

In addition, the proposed action is not a project pursuant to the California Environmental Quality Act (CEQA) because it is a government funding mechanism with no commitment to any specific project with a physical impact on the environment and is excluded from the definition of a project by Section 15378 of the State CEQA Guidelines.

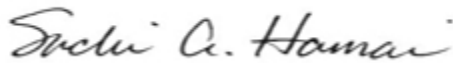
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no negative impact to current services. Approval of Amendment No. 4 will ensure the continuance of affordable, quality cultural experiences, and life-long learning opportunities for the community, as well as bolster the Foundation's ability to increase its base of private support through enhanced donor and investor confidence.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four (4) confirmed copies of the Board's action to the Budget Branch, Operations Division of the Chief Executive Office.

Respectfully submitted,



SACHI A. HAMAI
Interim Chief Executive Officer

SAH:JJ:SK
GS:LM:kd

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
LA Plaza de Cultura y Artes Foundation

LA Plaza de Cultura y Artes Maintenance and Operations Agreement Amendment No. 4

This Amendment Number 4 ("Amendment"), effective as of August 4, 2015 of the Maintenance and Operations Agreement ("M&O Agreement"), dated as of February 9, 2009, is made and entered into by the County of Los Angeles, by and through its Chair ("County"), and LA Plaza de Cultura y Artes Foundation ("Foundation"), a California non-profit corporation ("Foundation"), and collectively the "Parties", concerning the operation and maintenance of LA Plaza de Cultura y Artes ("Cultural Center").

RECITALS

WHEREAS, County owns certain real property ("the Site"), more particularly described in Exhibit 1 to the Lease Agreement as defined, located in the El Pueblo de Los Angeles Historic District with the City of Los Angeles as well as certain real property to the west and adjacent to the Site, more particularly described in Exhibit 2 to the Lease Agreement as defined;

WHEREAS, in furtherance of the Museum and Government Code Section 26227, County leased the Site and its existing improvements to the Foundation for the Museum as set out in the LA Plaza de Cultura y Artes Lease Agreement dated November 4, 2004, and incorporated by reference;

WHEREAS, pursuant to California Government Code Section 26227, the County may contract with private nonprofit agencies to operate programs to meet the social needs of the County which the Board of Supervisors determines will serve public purposes;

WHEREAS, pursuant to California Government Code Section 26227, the County may lease its real property to a nonprofit corporation in furtherance of programs which meet the social needs of the County upon terms and conditions determined by the Board of Supervisors to be in the best interest of the County and the general public;

WHEREAS, Foundation is a nonprofit corporation uniquely qualified to manage the operation of the Cultural Center;

WHEREAS, the Lease Agreement provides for a division of maintenance and operations responsibilities between the County and Foundation, and provides in Section 8.3 that a M & O Agreement shall be executed by County and Foundation to set forth the respective obligations in detail;

WHEREAS, the County and Foundation executed such a M & O Agreement in accordance with the Lease in 2009, and with the subsequent opening and operation of the Cultural Center, wish to refine and update the terms by amendment of the M & O Agreement;

WHEREAS, the County and the Foundation entered into that certain Amendment No. 1 to the M&O Agreement, dated July 31, 2012 ("Amendment No. 1"), which established the base amount of the County's funding obligation under the M&O Agreement to the sum of one million dollars (\$1,000,000), to be adjusted annually by a specified Consumer Price Index, and established a Foundation obligation to match the annual adjusted County Contribution with at least an eighty percent (80%) match;

WHEREAS, pursuant to Subsection (e) of Section 7 of the M&O Agreement, the base amount of the County's funding obligation is adjusted annually in accordance with the percentage increase or decrease, if any, in the Consumer Price Index – All Urban Consumers (Los Angeles, Anaheim, Riverside area) ("CPI") (not to exceed five percent);

WHEREAS, as of July 1, 2013, the base amount of the County's funding obligation for fiscal year July 1, 2013 – June 30, 2014 ("Fiscal Year 2014") increased by nineteen thousand dollars (\$19,000) pursuant to the CPI adjustment required by Subsection (e) of Section 7 of the M&O Agreement, for a total base amount for Fiscal Year 2014 of one million nineteen thousand dollars (\$1,019,000);

WHEREAS, as of July 1, 2014, the base amount of the County's funding obligation for fiscal year July 1, 2014 – June 30, 2015 ("Fiscal Year 2015") increased by eleven thousand dollars (\$11,000) pursuant to the CPI adjustment required by Subsection (e) of Section 7 of the M&O Agreement, for a total base amount for Fiscal Year 2015 of one million thirty thousand dollars (\$1,030,000);

Whereas, on June 23, 2014, the base amount of the County's funding obligation for fiscal year July 1, 2014 – June 30, 2015 ("Fiscal Year 2015") increased by five hundred thousand dollars (\$500,000) pursuant to Amendment No. 2 of the M&O Agreement, for a total base amount for Fiscal Year 2015 of one million five hundred and thirty thousand dollars ("(\$1,530,000)"); and

Whereas, on September 30, 2014, the base amount of the County's funding obligation under the M&O Agreement for Fiscal Year 2015 increased by an additional one million dollars (\$1,000,000), for a total base amount for Fiscal year 2015 of two million five hundred thirty thousand dollars (\$2,530,000); and

WHEREAS, the County and the Foundation wish to decrease the base amount of the County's funding obligation under the M&O Agreement for fiscal year July 1, 2015-June 30, 2016 (Fiscal Year 2016) by one million dollars (\$1,000,000); and

WHEREAS, as of July 1, 2015, the base amount of the County's funding obligation for Fiscal Year 2016 increased by eleven thousand dollars (\$11,000) pursuant to the CPI adjustment required by Subsection (e) of Section 7 of the M&O Agreement, for a total base amount for Fiscal Year 2016 of one million five hundred and forty-one thousand dollars (\$1,541,000);

NOW, THEREFORE, in consideration of the performance of the mutual promises herein contained at the time and in the manner specified, and for the other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that the following Sections shall be amended as follows:

I. Subsection (d) of Section 7 (Budget Process) of the M&O Agreement (Base Year Amount), which subsection was added by Amendment No. 1, is amended to read as follows:

The County Contribution for the Base Year shall be one million dollars (\$1,000,000), which is the net County cost included in the final County budget as adopted for the 2011-12 fiscal year. The County Contribution for the 2012-13 and 2013-14 fiscal years were adjusted pursuant to the Agreement. The County Contribution for fiscal year 2014-15 (Fiscal Year 2015) was increased, pursuant to Amendment No. 2, by \$500,000 over the adjusted County Contribution for a total County Contribution of one million five hundred thirty thousand dollars (\$1,530,000). The County Contribution for fiscal year 2014-15 (Fiscal Year 2015) was increased, pursuant to Amendment 3, by \$1,000,000 over the adjusted County Contribution for a total County Contribution of two million five hundred thirty thousand dollars (\$2,530,000). The County Contribution for fiscal year 2015-16 (Fiscal Year 2016) shall be decreased by \$1,000,000 over the adjusted County Contribution for a total County Contribution of one million five hundred and forty-one thousand dollars (\$1,541,000).

The Foundation Contribution, as defined in Section 7(f) of this Agreement, shall be calculated based on the adjusted annual County Contribution. For example, for Fiscal Year 2016, the Foundation Contribution is 80% of \$1,541,000 or \$1,232,800.

II. Incorporation of Lease Agreement and Document Priority Section 20 of the M&O Agreement is amended to read as follows: The Lease Agreement between the parties to this Amendment covers the agreement of the Parties in most respects and is incorporated by reference as if set out herein. In the event of conflict between the Lease Agreement and the M&O Agreement as amended, the Lease Agreement will apply; in the event of conflict between this Amendment No. 4 and the M&O Agreement as amended by Amendment Nos. 1, 2, and 3, this Amendment No. 4 will apply.

III. Except as expressly set forth in this Amendment No. 4 to the M&O Agreement, the M&O Agreement, Amendment Nos. 1, 2, and 3 thereto, shall remain in full force and effect.

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IN WITNESS WHEREOF, the Foundation has executed the Amendment, or caused it to be duly executed by its authorized representative(s) on the date indicated below, and the County, by order of its Board of Supervisors has caused this Amendment to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer – Clerk of the Board of Supervisors thereof effective the date of approval of the Board of Supervisors.

THE COUNTY OF LOS ANGELES

LA PLAZA DE CULTURA Y ARTES
FOUNDATION

By Mike Antonovich By John Ernst
Mayor, Board of Supervisors Executive Director of the Foundation

ATTEST:

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors



By Lachelle Amtherman
DEPUTY

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By Lachelle Amtherman
Deputy

By Helen S. Parker
HELEN S. PARKER
Principal Deputy County Counsel

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COUNTY OF LOS ANGELES

58-C

AUG 4 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

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